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**PRESIDENTIAL PERSPECTIVE**

*Newsletter, April 2009*



Fair April, with its showers sweet ... Had Chaucer been more aware of the financial implications of unsure future events, he probably would have referred to exam papers as well. So, in the spirit of the imminent examinations, and with specific reference to the Communications paper (A302 in the South African curriculum), this edition's quiz has been adapted: I am providing you with the answer, and the first correct question that reaches [wim@actuarialsociety.org.za](mailto:wim@actuarialsociety.org.za) wins a six-pack of soft drinks or beer. The examiner has been instructed to display a measure of leniency.

Answer: Signed and sealed by the Registrar of Trade Marks as trade mark 94/10651, on 10 April 1997.

But let us begin on a higher note:

**CONGRATULATIONS! CONGRATULATIONS! CONGRATULATIONS!**

Christopher, Michael and Sarah Williamson were born on 30 March. We share in the joy of Nicky Patchett and Iain Williamson, and we are grateful that everyone is well. Consider yourselves welcome, kids, and consider yourselves part of the Actuarial Society family (except at pajama drill time!)

**CONSTITUTION, 2009**

As stated in circulars and at sessional meetings during the past six months or so, the Actuarial Society Constitution was reviewed last year. Final proposals, after input had been obtained from members, were submitted to a Special General Meeting on 24 March. As the quorum requirement was not met at this meeting, it was adjourned to 31 March, when the proposed new Constitution was approved unanimously.

The new Constitution was placed on the website after the meeting and circulated among members on 1 April.

Just a brief summary –

The new Constitution accommodates organisational changes approved at the 2007 Convention, provides for education-related developments and addresses a variety of practical arrangements that will enable the organisation to function more smoothly.

I should also remind you that proposals for a new set of by-laws were circulated with the proposals for the new Constitution, as the two documents are closely related. In terms of the process, members have until 4 May to object to the proposed by-laws. Unless 25% or more of you object to the proposed by-laws, they will be approved automatically. While this represents a rather large number of members, I wish to assure you that Council will take all objections seriously. We shall not take out the calculators to see if we can get away with pushing through something that members had objected to!

I would like to thank all members who took the time and trouble to participate in the process. This includes everyone who commented on the proposals, either at the sessional meetings or by e-mail, as well as those who attended the special general meetings or submitted proxies.

#### **DISCIPLINARY REVIEW**

The Society's disciplinary process is set out in an annexure to the by-laws. The Actuarial Governance Board identified this as one of their priorities and, as indicated in their Annual Report for 2008, had a number of discussions in this regard with various stakeholders.

One of the proposals emanating from those discussions was to look into utilising the provisions of the Arbitration Act in the Society's disciplinary process. This would address a number of weaknesses. Prof David Butler, one of the foremost experts in South Africa on arbitration, has been developing proposals for consideration by the Board.

As in respect of the by-laws, I want to give the assurance that any proposals for a new disciplinary process will be discussed with members. There is a sound working relationship between the Actuarial Governance Board and Council, and it is certainly not expected that the Board will devise anything that is unreasonable or too onerous.

#### **CODE OF CONDUCT REVIEW**

The Professional Matters Board has been monitoring developments in the UK in respect of the introduction of the Actuaries' Code for some time. As you probably know, the first draft of the Code was circulated for comment in 2007, but was criticised by the UK Professional Oversight Board. The local Professional Matters Board made contact with Richard Maconachie, Head of Professional Regulation in the UK, to consult on the latest draft of the Code. A task team comprising Neil Savage, Ray Welham, Iain Williamson and Patrick Mayne has started drafting a Code of Conduct for members of the Actuarial Society of South Africa, and a first draft will be ready for discussion by the end of June.

Part of the process involves changing terminology, so as to bring the Society in line with other actuarial organisations and, indeed, the IAA. The Code of Conduct will replace the Professional Conduct Standards, and the term “standard of practice” will in future be used to refer to what is currently known as professional guidance notes (PGNs).

### **MUTUAL RECOGNITION AGREEMENTS**

One of the recurring themes in communication about the local-content education initiative has been mutual recognition agreements. As stated before, we are currently involved in discussions with the UK actuarial profession. (You may recall that these discussions led to, *inter alia*, us introducing an Affiliate category of membership during the process of reviewing the Constitution.) We have also had encouraging discussions on this matter with actuarial organisations in Australia, Canada and India, all of which indicated that their final decision would be based on the outcome of our negotiations with the UK.

We have made significant progress in discussions with the UK organisations, and there is a real possibility that we shall be able to sign the agreement with them during the IAA meetings in Tallinn, Estonia, during the last week in May this year. Agreements with the other organisations should follow before the end of this year, then. The UK has already agreed to us using the version currently being discussed with them as a basis for approaching other organisations.

I should point out that the value of mutual recognition agreements is not restricted only to international portability of the qualification; these agreements constitute an important element of quality control, i.e. maintenance of acceptable standards.

### **GLOBAL ENTERPRISE RISK MANAGEMENT INITIATIVE**

(Three pages into the newsletter, you thought you had escaped my pet topic – hah!)

You may recall that, at the IAA meetings in Dublin in October 2007, a statement of intent was signed by the leadership of the Institute and Faculty of Actuaries (United Kingdom), the Canadian Institute of Actuaries, the Institute of Actuaries of Australia, the Colegio Nacional de Actuarios A.C. (Mexico) and the Actuarial Society of South Africa, engaging in discussions concerning the establishment of a globally-recognised qualification in enterprise risk management.

We have been keeping close to developments in this regard. During a recent teleconference, attended by stakeholders in Cape Town and Johannesburg, it was agreed that we should obtain a mandate from Council to sign the Global ERM Treaty at the IAA meetings in Tallinn in May. Proposals in this regard will be submitted to Council at its meeting on 11 May.

Furthermore, Stephen Jurisich will attend to a revision of the curriculum to effectively incorporate the UK ST9 offering and any other changes needed in the A1-A3 (CT/CA) coverage to fully support the Global “XRX” requirements as well. Riaan de Jongh will review the requirements, drawing on his work as a member of the Global XRX curriculum task force, to ensure appropriate coverage of the topics needed

for the Global XRX qualification. The Curriculum Committee of the Education and CPD Board will also make proposals as to how we should award the “XRX” qualification. This should be completed by the end of April.

### **100 YEARS OF STATE PENSION**

Those of you who ordered *100 Years of Social Pension – Learning from the Past* via the Actuarial Society will shortly receive your copies, with the invoice. A few extra copies were ordered as gifts for stakeholders, but we may be able to accommodate one or two members who missed this opportunity. Please contact Mallony Jansen on 021 509 8210 if you would like to order a copy.

### **CLARITY IN A COMPLEX WORLD**

This is the theme for the 2009 Convention, to be held at the Sandton Convention Centre on 19 and 20 May. The first day will take the form of Retirement Matters, Life Assurance and Healthcare seminars, with a more “traditional” Convention programme on 20 May. This is the major CPD opportunity for the year and, as you know, compliance with the Society’s CPD Scheme is a condition of membership.

Apart from the CPD opportunity, the programme promises to be very interesting. If you haven’t registered yet, please visit <http://www.africanagenda.com/convention2009registration/index.php>.

### **GO FOR GOLD**

This is the theme, not for an Australian World Cup team, but the biennial Convention of the Institute of Actuaries in Australia, to be held in Sydney from 19 to 22 April. For more information, visit <http://www.actuaries.asn.au/Events/seminarProgram.aspx?eventID=1605>. Peter Doyle, President-elect, will represent the Society at this event. He would really appreciate some company, especially as the one-day series has to be played still, so I would urge any member who can attend the Convention to do so.

### **GIVE FIVE**

The Actuarial Society has periodically made donations to TSiBA, the Tertiary School in Business Administration, and we are listed as a Friend of TSiBA. TSiBA offers emerging leaders an opportunity to study an enriched Bachelor of Business Administration degree that is focused on entrepreneurship and leadership. The guiding philosophy of TSiBA is inculcated in the concept of “Pay it Forward”; by “Paying it Forward” they are able to ensure that the full tuition scholarships afforded to their students are used to further the education and lives of the communities in which they live and the greater society of the Western Cape. TSiBA works to give those around them a boost.

Now in their fifth year of operation, TSiBA is offering its partners the opportunity to participate in the “Give Five” campaign. This involves five initiatives:

1. Sponsoring five orphans/ vulnerable young adults to climb Mt. Kilimanjaro as part of a leadership development programme in partnership with The Lonely Road Foundation.
2. Building 5 homes in partnership with the Niall Mellon Township Trust.
3. Mentoring/ tutoring 50 iKamvaYouth learners.

4. Educating 500 young people via our HIV/ AIDS Peer Education programme in partnership with the Partners in Sexual Health (PISH).
5. Holding a party in partnership with Fikelela Outreach for children under their care.

To find out how you can "Give 5" - in cash, kind or time - [please click here](#).

Another way that you can also Pay it Forward is by lecturing or tutoring at TSiBA. In particular, they are looking for those with expertise in IT, Business Communication and Economics. And if I'm not mistaken, we may find some of these among our members ...

I undertook to keep the newsletters shorter this year. So, look at the calendar of Actuarial Society events on <http://www.actuarialsociety.org.za/Events/Calendar-of-Events-309.aspx>, and keep an eye out for the next ICA 2010 Newsletter.

On behalf of Council, I wish all our student members the best of talent in the coming exams – "luck" is for those who don't have talent!

Kind regards



**Garth Griffin**  
**President**

6 April 2009